

THE MANAGER

TOP MANAGERS

By Jennifer I. Voss

Effective strategies to plan for management succession



What the Top Dairies do for Success in the Long Haul

In addition to managing technical aspects like having high quality products and good cost positions, all of the most successful long-standing businesses in the world have a process for management succession. Dairy farms are no exception. For some this process is just a part of the farm culture like butterfat in milk. For others it is like somatic cell count, it can always be better.

Management succession is a dynamic continuous process with business continuity at its heart. While the main goal is to ensure that the business continues to operate effectively and efficiently in the long haul, fringe benefits to an effective succession process are many, and include employee engagement and development, a focus on accomplishing goals, increased accountability, and improved overall business performance. Ostensibly the process starts with a sustainable common purpose. For some dairy farmers this might be a simple statement like "We strive to be known as a producer of high-quality low-cost milk, to value our employees, and to be a respected member of the community where we all live and work." For another farm it might be "We leverage the resources we have to produce the highest quality products from milk to grain, while maintaining cow comfort and being good stewards of the land." This statement reflects the common purpose of the farm that teams can rally around. It should be more than a piece of paper with some artfully crafted words on it. It should capture the heart of the farm and be used

to set direction and focus the team.

Successful farms also have clearly defined roles and responsibilities. Similar to a good football team, not everybody plays the position of quarterback. They know who is responsible for what and what everybody needs to be focused on to get the job done. At the same time, they also guard against creating silos by having good communication and a cooperative spirit. They respect each other's role and responsibility but are always willing to help. This minimizes conflict and ensures smooth operations.

They have an operating rhythm. They might not call it an operating rhythm, but they have one. The operating rhythm is the way they work together. How often they meet, what they talk about and who is involved. Meetings range from weekly tactical, focused on production, to bigger picture strategic planning interspersed throughout the year to drive the farm forward. Examples of strategic planning meetings as part of an operating rhythm include: 1) Build an operating plan they might do in December. Here they set targets for the following year based on the prior year's results. 2) A human resource review might take place during January. Here they review the organization structure to make sure they have the right people in the right places. They might modify roles and responsibilities, identify skill gaps on the farm, conduct performance reviews, and create development plans for key employees. 3) Long-term strategic planning could take place late winter/early spring. During this time they focus on what the farm will look like in 5 to 10 years given the events of the industry and the world.

The most successful farms hold themselves and their employees accountable. Out of the operating review comes goals for what the farm is to accomplish for the year. These farm goals are posted and the results tracked. Everybody will know how the farm performed versus its goals.



Fig. 1. A process for effective management succession.

FYI

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Successful dairy farmers recognize that people are their most critical resource. Time and energy are spent to engage and develop them. Employees are given feedback and the farm invests in their ongoing development and includes key employees in strategic planning sessions, communicates farm performance, and provides formal dairy management training. Some farms have a performance screen for each key employee. A simple page that describes what the employee is to accomplish over the next 12 months that ties back to the farm goals and their individual role and responsibility on the farm. This performance screen is used as the basis for the annual performance review, so a discussion is held in regard to what the employee accomplished. It includes employee strengths, development needs and plans, as well as short and long-term career goals. Most important is that it drives a dialogue between employee and employer, and improved performance that comes from clarity of expectations on everybody's part. This process provides a basis for performance-based reward and recognition and aids in employee retention and engagement. People work harder when they feel their

contribution is valued and that the business they work for invests in them. As they develop more skills they bring more value to the farm.

The most successful don't necessarily subscribe to the philosophy of "if it ain't broke don't fix it." They have an attitude of regardless of how well it works it can work better. They are open to change and focused on continuous improvement. They actively leverage industry resources and advisors to improve their performance. The leaders of these farms have relinquished some control to the next generation of leadership to create a thriving organization that can exist without them. Succession is a part of their culture. They recognize that the process of management succession is a dynamic one. As things happen and the world changes, they need to constantly revisit this process. Validating and massaging their sustainable common purpose, making sure they have the right people in place to get the job done, setting goals – both short and long term, tracking their results and responding to feedback, to continuously improve farm performance. □

Profile of a top producer
continued from page 27

Simply, we want to put each cow into the kind of place that a good cow should go."

The appeal to milk "good looking cows" and optimize their potential pressed the farm to also take charge of herd reproduction. There was room in their CR and PR to improve breeding efficiency and production. They would choose their own bulls, use better semen, freeze some embryos and breed better calves. It was a difficult decision to part ways with their breeder of 30 years, but in 2006 Tucker took it all over. Thanks to high market cow prices they retired low performers. Presynch-Ovsynch 56 with tail chalking plus 21 day heat detection concentration enables both farms to sport a 26 to 29 percent pregnancy rate, 68% insemination risk, 39 to 42% conception rate, 66 days to first service and 166 average days in milk.

Tucker, who runs the Craftsbury farm and is general herd manager, and Will Hull, herdsman for the E. Montpelier location, have sole responsibility for all synchronizing and breedings. Tucker affirms "Our compliance is without a doubt 100%. Not a shot is missed." He further elucidates that "The synch and chalking are 'procedures.' They get us to the barn." Once there, he and Will take the time necessary to observe the cows, the whole environment and do the total job. Their success is also bred out of healthy competition and collaboration between them and the fact that they are both method and result- focused.

The most recent byproduct of the 'Driver' to optimize cow potential is the switch to group calf housing and free access acidified milk feeding. Over the last five years, genetics, reproduction and healthy calves raised in 110 hutches yielded an average 4% internal growth rate, after dairy sales of approximately 30 cows per year, and some

occasional heifers. Motivated by labor efficiency and the desire to capture aggressive early calf growth, plus first lactation milk potential, they finished a new calf barn in November 2011. Payback will be relatively quick with the labor savings and good milk prices. However, the chief concern for the barn itself was how to provide good quality air at calf-level. Air quality and respiratory health in calf barns generally fails, particularly compared to general success in hutch environments. They settled on a novel ventilation system, designed by Curt Gooch, Cornell PRO-DAIRY. Tempered fresh air is delivered through forced air ducts in the sidewalls and exits through a central floor exhaust plenum.

Richard was open to a different strategy to get good air quality. "We spent more money, but the design seemed to have a good chance of working, so we finally went for it." Recent ADG to 56 days was 2 lbs per day and met the first goal. A long-time employee George Allen recently took over responsibility for calves and is still on the learning curve to figure out the new routines. George is an indispensable employee who is steeped in cow experience. So, George was awarded the challenge to make this new system work. "So far, it's pretty great. It is a different set of skills with calves in groups. But the calves and their antics are lots of fun."

'Drivers' are instrumental to Fairmont Farm's successes. Queried about the disadvantages and advantages of dairy farming in the North East Kingdom, Vermont, Tucker fired without hesitation, "There are no cropping advantages. It is where we want to be. Family is here, all the important things." Richard injected, "The market is here, they say." In the future they foresee it will be about optimal use of land base, and "genomics"! For this minute, the 'Drivers' for Fairmont Farm are aimed at balancing good production, making it at a reasonable cost and milking "good looking" cows.